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ABSTRACT

The 1978 annual report of the Coordinating Board of the Texas College and University System is presented. The Board's major accomplishments in 1978 included the development of enrollment projections for the next decade, adoption of faculty workload guidelines, and implementation of a family practice residency program. The contents of the report include an overview of developments and sections on: financial planning, senior college and universities, community colleges and continuing education, health affairs, student services, campus planning and physical facilities development, administration, and other activities of the Coordinating Board. Specific topics include: Texas formula system, higher education appropriations for 1978-79, faculty salaries, research funds, statewide guidelines for faculty workloads and small classes, interdisciplinary degree guidelines, community service and continuing education, family practice residency program, nursing education, college student loan program, Tuition Equalization Grant Program, Texas Public Educational Grants Program; State Student Incentive Grant Program, Texas Assistance Grants Program, monitoring of access to the handicapped, housing survey, federal energy project funds, business services, personnel services, educational data center, data processing, Texas student information system, educational information centers, and research and publications. (SW)

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COORDINATING BOARD

Texas College and University System

1978

ANNUAL REPORT

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LBJ Building, P.O. Box 12788
Austin, Texas 78711

ANNUAL REPORT

COORDINATING BOARD

Texas College and University System

Kenneth H. Ashworth
Commissioner of Higher Education
August 31, 1978

Coordinating Board

TEXAS COLLEGE AND UNIVERSITY SYSTEM

P. O. Box 12788 CAPITOL STATION

AUSTIN, TEXAS 78711

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HARRY PROVENCE

Vice-Chairman
NEWTON GRESHAM

TONY BONILLA

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CHARLES BUTT

JOHN W. FAINTER, JR.

MARSHALL FORMBY

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RALPH SPENCE

R. PAUL TEAGUE, SR.

WAYNE E. THOMAS

NED WADE, JR.

M. HARVEY WEIL

SAM D. YOUNG, JR.

August 31, 1978

The Honorable Dolph Briscoe, Governor of Texas
The Honorable William P. Hobby, Lt. Governor of Texas
The Honorable William Clayton, Speaker of the
House of Representatives
Members of the 65th Legislature

Dear Governor Briscoe, Lt. Governor Hobby, Speaker Clayton, and Members of the Legislature:

I am pleased to submit the annual report of the Coordinating Board, Texas College and University System, for the fiscal year ending August 31, 1978.

In response to legislative directives for improving both efficiency and accountability in higher education, the Board assumed several new responsibilities during the past year. It was aided in many of those efforts by the cooperation and participation of the colleges and universities.

The Board's major accomplishments in 1978 included the development of enrollment projections for the next decade, adoption of faculty workload guidelines and implementation of a family practice residency program. Additional studies were underway as the fiscal year ended, and a report on the feasibility of establishing a state-guaranteed student loan program is expected to be completed for consideration of the 66th Legislature.

A supplement to the annual report will contain statistical data on all Texas colleges and universities.

The Coordinating Board and its staff express appreciation to the executive and legislative branches of the state government for their assistance and concern for the quality of postsecondary education in Texas.

Respectfully submitted,

Harry Provence

Harry Provence
Chairman

THE COORDINATING BOARD

The Coordinating Board, Texas College and University System, is a statutory 18-member board appointed by the Governor. In its responsibility for statewide planning and policy-making for Texas higher education, the Board places major emphasis on financial planning, orderly development of senior colleges and universities and community colleges, health affairs, continuing education, financial aid services to students and campus planning.

The Texas Legislature created the Board in 1965 and has continued to add to its statutory responsibilities since that time. Among the Board's newest duties are the monitoring of faculty workloads and small classes and administration of a program intended to improve the distribution of family practitioners in the state. Other legislation enacted by the 65th Legislature in 1977 strengthened existing powers of the Board in reviewing campus construction and directed the Board to establish and administer a higher education uniform insurance benefits program.

The Board approves or disapproves all degree programs of Texas public colleges and universities and recommends the establishment, discontinuance or uniting of public institutions. It authorizes the creation of public junior college districts and adopts standards for their operation. The Board develops and recommends formulas to the Governor and Legislative Budget Board for their use in determining legislative appropriations and equitable distribution of state funds to colleges and universities. The Board supervises planning, utilization, evaluation and reporting of academic development in Texas public community colleges and universities and recommends policies for efficient use of construction funds and orderly development of physical plants. In the private sector, the Board controls the operation of substandard or fraudulent institutions. In the area of services to students, the Board administers the state's college student loan program and its student grant programs.

As the State Postsecondary Education Commission (1202 Commission), the Board in fiscal year 1978 refined and expanded its capacity for projecting the program needs of Texas higher education.

The Coordinating Board held four regular quarterly meetings in Austin in October 1977, and January, April and July 1978. The Board also met in one special called session in March 1978.

COORDINATING BOARD, TEXAS COLLEGE AND UNIVERSITY SYSTEM

Harry Provence, Chairman, Waco (1981)

Newton Gresham, Vice Chairman, Houston (1983)

Tony Bonilla
Corpus Christi (1979)

Dr. G. V. Brindley
Temple (1979)

Charles Butt
Corpus Christi (1983)

John W. Fainter, Jr.
Houston (1981)

Marshall Formby
Plainview (1983)

Betty Jo (Mrs. Jess T.) Hay
Dallas (1979)

Harold D. Herndon
San Antonio (1979)

Fred H. Moore
Austin (1979)

Robert H. Park
Houston (1983)

L. F. Peterson
Fort Worth (1981)

Ralph Spence
Tyler (1981)

R. Paul Teague, Sr.
Texas City (1981)

Wayne E. Thomas
Hereford (1983)

Ned Wade, Jr.
Houston (1979)

M. Harvey Weil
Corpus Christi (1983)

Sam D. Young, Jr.
El Paso (1981)

Note: Six-year terms of all Coordinating Board members expire on September 1 of years indicated.

STAFF ADMINISTRATIVE OFFICERS

Kenneth H. Ashworth, Commissioner of Higher Education

William A. Webb, Deputy Commissioner and Head
Division of Financial Planning

Mack C. Adams, Head
Division of Student Services

Gordon Flack, Head
Division of Campus Planning and Facilities Development

Norma R. Foreman, Head
Division of Senior Colleges and Universities

Dean Finley Herbst, Head
Division of Health Affairs

David T. Kelly, Head
Division of Community Colleges and Continuing Education

James McWhorter, Head
Division of Administration

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OVERVIEW

Strengthening and preserving the quality of higher education in Texas gained increasing attention in 1978. The Coordinating Board stepped up efforts to safeguard quality by setting stricter policy standards in its review procedures. As enrollments continued to level off, expansion of higher education programs and campus construction slowed considerably from the rapid growth which had characterized the early part of the decade. Much of the Board's activity in the past year involved implementation of legislation enacted in 1977 for improving accountability and holding down expenditures.

Long-range planning to meet the needs of the state's college and university system and better serve the citizens of Texas in the next decade also was undertaken. A comprehensive study of long-term enrollment projections in Texas higher education forecast a modest 10-year growth rate of approximately 16.9 percent, compared with a 93 percent increase the previous decade.

There were significant developments in the area of off-campus programs as the Board implemented stringent standards to protect consumers of higher education in Texas. As directed by the Legislature, the Board also began a review of the formula funding for public senior institutions and undertook development of procedures for the uniform calculation of grade point averages. In response to other legislative mandates, the Board established guidelines on faculty workloads and examined the offering of small classes at state-supported colleges. The feasibility of setting up a state-guaranteed student loan program was studied as well.

Other major areas of Board concern during the past year included:

--lowering the state's default rate on student loans;

--improving the balance between job supply and demand according to vocational or academic field; and

--increasing the number of training positions for family practice physicians and monitoring need in other health care fields.

Plateau in Enrollment Growth Projected After 1983

As part of its responsibility for the unified dvelopment of Texas higher education, the Board in March adopted 10-year enrollment projections for individual public senior colleges, and its staff later made additional statewide forecasts for public community colleges and junior and senior institutions in the private sector.

Enrollment projections for Texas higher education in the next decade indicate a marked contrast with the growth rate of the previous 10 years. For the period of 1977 to 1987, enrollment in the state's postsecondary institutions is expected to increase by an average of approximately 1.7 percent each year.

The major portion of the 16.9 percent overall growth is projected to occur during the first five years. After 1983, total enrollments are likely to reach a plateau through 1987. This forecast reflects the general statewide population decrease in the 19- to 25-year-old group and the gradual maturing of the population. The decline in the traditional college-age group will be partially offset by an expected growth in college-going rates, especially among those older than 25. However, the changing patterns of college participation by age groups will not be sufficiently large enough

to compensate entirely for the smaller number of potential students of traditional college age.

Total public senior college enrollment is expected to increase about 1.5 percent per year through 1987, for a 10-year growth rate of 15.36 percent. Public community/junior college enrollment will grow approximately 1.9 percent annually, increasing 19.6 percent in the next decade. Independent senior institutions, while continuing to increase their enrollments at an average annual rate of about 1.1 percent, are not likely to show as much gain as the public senior colleges and universities. Private junior colleges are expected to continue to decline in enrollment.

In general, a 10.4 percent increase is projected for the independent sector in the next 10 years, with a 17.6 percent growth rate forecast for public institutions.

The enrollment projections were developed, in part, to comply with a constitutional mandate that a portion of the ad valorem tax fund for college construction be allocated to participating institutions on the basis of anticipated enrollment growth.

Ad Valorem Tax Suit Slows Building Programs

The State Comptroller in June allocated to 17 senior universities $490 million in estimated property tax revenue. That amount is 85 percent of the $576.5 million expected to be available through the ad valorem tax fund in the next 10 years. Distribution of the funds had not been made by the end of the fiscal year, however, because of a pending lawsuit challenging the validity of the tax.

Due to uncertainty over the continued availability of those funds, the

Board in April postponed consideration of two construction projects which were to be financed through ad valorem bond sales. The Board further indicated that approval of any similarly funded projects would be unlikely while the suit is pending. The suit alleges that the tax is administered inequitably in its collection.

Attorney General Ruling on Formula Allocation Methods

In a separate matter, an opinion from the Attorney General was sought in an effort to bring greater equity into the college construction funding process. But in February the Attorney General ruled that the funds must be allocated for the next 10 years in the same way they were during the past decade.

The Attorney General had been asked by the Commissioner of Higher Education and the State Comptroller if schools created after 1965 could share in the next allocation of ad valorem monies and if the tax funds could be distributed on the basis of any formula different from that followed in the last distribution. The Texas Constitution requires the bulk of the allocations to be made according to projected enrollment growth rather than space needs, and concern has been expressed that distribution methods should give greater emphasis to space usage in this decade of slow growth.

Off-Campus Quality Controls Tightened

Working on two fronts, the Board adopted tough new provisions to assure that off-campus programs available to the state's residents meet certain minimum criteria for educational quality.

Regional accrediting associations were warned by the Board in April that they must ensure quality standards are being met at satellite operations of institutions accredited in other states. The Board said it would withdraw recognition of any accrediting agency which fails after a one-year period to conduct on-site evaluations to assure that off-campus programs are held to the same criteria as the parent institution. Adequate supervision of those operations also must be assured. Texas is the first state to take such stern measures against the burgeoning out-of-state operations by private institutions.

In addition, stronger requirements for off-campus operations of Texas public junior and senior colleges were developed. The new provisions, adopted in July, prohibit the awarding of PhD degrees based totally on off-campus studies and establish criteria to assure that facilities, course content and faculty for off-campus instruction meet the same standards for quality that are required for on-campus courses.

Higher Education Appropriations Climb as New Units Open

The 65th Legislature appropriated a record $2.9 billion from all funds to support higher education in the 1978-79 biennium. That amount is an increase of 26.9 percent above the $2.3 billion for the previous two years. The appropriated revenue for fiscal year 1978 totaled almost $1.5 billion.

Those funds supported more than 100 public component institutional units: 24 four-year senior colleges and universities, five upper-level universities, five upper-level centers, two lower-division centers, 47 community junior college districts operating on 59 campuses, one technical institute with four campuses, seven medical schools, two dental schools, other allied health units and a maritime academy.

The private sector of Texas higher education includes 37 senior colleges and universities, one free-standing law school, seven junior colleges, one medical school, one dental school and two medically related units.

Texas A&M University College of Medicine enrolled its first students in fall 1977 in conjunction with medical education provisions of the Veterans Administration Medical School Assistance and Health Manpower Training Act of 1972. Also, three community college campuses opened during the fiscal year. They are Brookhaven College in the Dallas County Community College District, and the Trans-Mountain and Valle Verde Campuses of the El Paso Community College District.

Adoption of 1980-81 Formulas

In planning for funding of higher education during the upcoming biennium, the Coordinating Board in January designated formulas in 13 areas, with a 6.4 percent inflation factor incorporated where appropriate.

Although the formulas extend Board-recommended rates and appropriated rates for 1978 and 1979, new funding for improvement in two areas was advised. Formulas for Departmental Operating Expense and Library each feature a 3 percent increase over 1979 funding for the first year of the next biennium. Also, a revised formula was adopted for Custodial Services, and several other formulas underwent modification.

Restudy of Formula System

Procedures for financing public senior colleges and universities were undergoing in-depth review as the fiscal year ended. The study, in response to a legislative directive, seeks to determine the adequacy of present

funding methods for the next decade.

Legislature Stresses Need for Uniformity, Accountability

Studies undertaken by the Board during 1978 reflected the concern of the 65th Legislature for increased uniformity and accountability within the state higher education system. The Board also assisted in legislative efforts to assess the effects of new federal laws concerning college loan programs.

Calculation of Grade Point Averages

The 65th Texas Legislature directed the Coordinating Board to "establish a mandatory uniform method of calculating the official grade point average of a student enrolled in, or seeking admission to a graduate or professional school of, an institution of higher education." During 1977-78, an advisory committee of institutional representatives drafted a set of proposed rules for Coordinating Board consideration. The proposed rules were circulated to all public and private institutions, and a public hearing on the proposal was held in June.

In July the Coordinating Board deferred action on the proposed rules for further study. After additional comments from the institutions and from the sponsor of the legislation, the proposed rules were revised and will be presented to the Coordinating Board for consideration in October 1978.

Faculty Workloads, Small Classes

To help assure greater accountability to the public, the Board in July adopted statewide guidelines for faculty workloads and revised its reporting system to incorporate data on the academic duties and services performed by each faculty member. The Board will begin collecting that information in

fall 1978. Procedures for implementing statutory provisions concerning small classes also were endorsed, and the Board supported action by the colleges to seek an amendment which would allow increased flexibility in the offering of small classes without penalty.

State-Guaranteed Loan Program

Passage of federal legislation encourages states to operate their own student loan programs, which would be reinsured by the federal government. In response to those provisions, an interim committee of the 65 Legislature began studying the state's options for establishment of a state-guaranteed college student loan program. In addition, the Board contracted with an independent consulting firm to make recommendations to the committee.

Enrollments Show Slight Increase for 1977-78

Higher education enrollments in Texas colleges climbed to 724,876 in fall 1977. The 4.13 percent enrollment increase at the state's public and private junior and senior institutions of higher education was slightly above the nationwide growth rate during the same period.

Senior colleges in both the public and private sector reported modest enrollment increases. Public community colleges saw an upswing in enrollments after a slight decline in 1976. Medical, dental and health-related enrollments continued to climb at a rate of more than 8 percent, with the most substantial portion of the increases occurring in the public institutions.

The following table indicates the distribution of student enrollments for fall 1976 and fall 1977 among the various types of Texas institutions.

SUMMARY OF HEADCOUNT ENROLLMENT
Texas Institutions of Higher Education
Fall 1976 and Fall 1977

Type Institution	Fall 1976	Fall 1977	Change
Public Senior Colleges and Universities	315,437	323,514	2.56%
Public Community Colleges	291,556	309,547	6.17
Semester Length	(215,242)	(224,070)	4.10
Other than Semester Length	(76,314)	(85,477)	12.01
Public Technical Institutes	6,871	7,586	10.41
Independent Senior Colleges and Universities	71,779	73,277	2.09
Independent Junior Colleges	2,441	2,215	-9.37
Medical, Dental and Allied Health Units	8,049	8,737	8.55
Public Institutions	(6,422)	(7,086)	(10.34)
Independent Institutions	(1,627)	(1,651)	(1.47)
TOTAL -- All Institutions	696,133	724,876	4.13%

Cooperation With Independent Higher Education Maintained

The Coordinating Board continued to give careful consideration to the resources of the state's independent colleges and universities in its planning and coordination of higher education for Texas. Since its creation in 1965, the Board has maintained a close alliance of mutual benefit with the private institutions.

To aid in its planning, the Board receives data from independent colleges on their enrollments, degree offerings, facilities inventories and other information. It also is directed by statute to encourage cooperation between public and private institutions and to enter into cooperative undertakings as permitted by law.

The Board's administration of the Tuition Equalization Grants Program for needy students at accredited private institutions of higher education in Texas and its contracts for state support with private medical and dental schools are but two examples of the important liaison between the public and independent sectors.

Desegregation of Texas Colleges Assessed

Texas colleges and universities came under federal review during fiscal year 1978 to determine whether all vestiges of a dual system of higher education had been eliminated from institutional practices and policies. Representatives of the U. S. Department of Health, Education and Welfare visited 18 public college campuses during the spring to assess their compliance with Title VI of the 1964 Civil Rights Act. Participation of black and Mexican American students in state-supported higher education also was examined.

If HEW officials conclude that a significant disparity exists between opportunities for whites and those for minorities, Texas may be required to develop a statewide desegregation plan.

The Coordinating Board helped facilitate the collection of data by supplying HEW with information on the ethnic composition of the state's public colleges and their governing boards, a description of programs and a history of past racial restrictions on enrollments. Information also was sought on junior college transfer policies and statewide planning.

Federal officials requested data on student recruitment, admission policies, financial aid, athletics, counseling and tutoring programs and employment in their on-site visits to the campuses.

Governor Appoints New Coordinating Board Members

Gov. Dolph Briscoe in March named three new members to the Coordinating Board and reappointed four others. New members are Charles Butt of Corpus Christi and Ned Wade Jr. and Robert Park, both of Houston. They replaced Jack Arthur of Stephenville, Richard Slocomb of Galena Park and O. H. Elliott of Austin. Elliott had resigned in July 1976. Reappointed were Marshall Formby of Plainview, Newton Gresham of Houston, Harvey Weil of Corpus Christi and Wayne Thomas of Hereford.

Staff Reorganization Completed

Reorganization of the Board staff was completed in September 1977 with the appointment by the Commissioner of Higher Education of two new executive administrators. He named Dr. Norma Foreman to head the Division of Senior Colleges and Universities and Mrs. Dean Finley Herbst to head the Division of Health Affairs. Both had served as acting heads since July 1977 when the reorganization plan was announced to expand from five to seven the number of staff divisions. Dr. David Kelly, head of the Division of Program Development, had been named at that time to lead the Division of Community Colleges and Continuing Education.

FINANCIAL PLANNING

Maintenance of quality higher education in the state relies heavily on sound planning to assure that financial needs of the state's colleges and universities are met. The Coordinating Board through its Division of Financial Planning each biennium designates formulas for equitable distribution of state funds to support the operation of the Texas higher education system. A comprehensive study was initiated during fiscal year 1978 to evaluate the validity of current funding methods in providing support for public senior colleges and universities during the next decade.

In addition to its responsibilities for establishing funding formulas, the Board conducts other studies to measure educational costs and enhance planning at the institutional level. It also administers trusteed funds for the education of Texas residents attending private medical and dental schools and for support of other programs.

A record level of state funding was available for financing higher education in the 1978-79 biennium. The 65th Legislature appropriated $2.9 billion to support agencies and institutions of higher education during that two-year period.

Texas Formula System

In November 1977 the Board began a review of funding for public senior universities. The study will be completed in spring 1979, and any recommendations for modification of funding methods could be implemented during the 1981-82 biennium. Some $175,000 was appropriated for the restudy. The last major revision of the financing system occurred in 1970.

A recommendation adopted by the Board in January urges the 66th Legis-

lature to provide additional funds to carry out a restudy of methods for financing public community colleges in Texas.

One of the original mandates to the Coordinating Board directs it to designate formulas which will provide equity in funding among public institutions of higher education. Formula recommendations must be established by March 1 of even-numbered years. The Board and its staff seek assistance from advisory committees of junior and senior college representatives and lay citizens in assessing the adequacy of the formulas to support quality programs at institutions.

Formulas endorsed by the Board are submitted to the Governor and Legislative Budget Board for their use in making appropriation recommendations to the Legislature. Institutional appropriations requests also are prepared in accordance with the Board formulas.

Formulas Recommended for 1980-81

In January 1978 the Coordinating Board designated formulas for fiscal years 1980 and 1981. Formulas for senior colleges and universities cover 12 areas of cost, comprising approximately 79 percent of the educational and general appropriations to the institutions. Where applicable, the designated formulas include an annual 6.4 percent inflation factor over the fiscal 1979 funding level. The Board also approved a formula to provide state support of general academic programs at public community junior colleges.

The public junior college formula adopted for 1980-81 is based on the 1977 median cost per contact hour for general academic program areas.

Senior college and university formulas for 1980 and 1981 are basically extensions of Board-recommended rates and appropriated rates for the 1978-79

biennium. Modifications for low enrollment institutions are incorporated in the formula areas of General Administration and Student Services, Faculty Salaries, Departmental Operating Expenses and Library.

Formula rates as appropriated by the Legislature for 1979 were used as a base for the General Administration and Student Services formula. In addition, the base appropriation recommended for institutions below 4,000 headcount enrollment was increased from $300,000 to $400,000.

The formula rates as well as the minimum appropriation for General Institutional Expense were adjusted for inflation.

The Faculty Salaries formula was based on rates appropriated in 1979, escalated by the 6.4 percent inflation factor for each year of the biennium. The rate was expected to maintain Texas faculty salaries at a level close to the national average.

The Departmental Operating Expense formula rates for fiscal year 1980 were adjusted to include a 3.0 percent increase for improvement as well as a 6.4 percent increase for inflation. Fiscal year 1981 rates were increased 6.4 percent above the 1980 recommended rates.

Unchanged from the 1978-79 biennium are formulas for Organized Research, Physical Plant General Services and Grounds Maintenance. The Building Maintenance formula is updated with the most recent figures recommended for building maintenance based on age and type of construction.

The Library formula was adjusted for inflation each year of the biennium as well as an additional 3.0 percent for improvement the first year of the biennium. The recommended minimum appropriation was also increased.

The formula for Custodial Services was revised from a rate per square

foot basis to a formula that recognizes several factors including an average number of square feet of floor space to be assigned per worker and an automatic escalation factor for salaries and wages.

For Instructional Administration, there was a modification in the part one portion of the formula used in determining the percentage of Faculty Salaries. In addition, the recommended formula for Faculty and Staff Group Insurance was increased from $15 to $30 per month per eligible employee.

Higher Education Appropriations for 1978-79 Biennium

For the 1978-79 biennium, appropriations from all funds for all agencies of higher education totaled $2,890.2 million, an increase of $612 million or 26.9 percent over the 1976-77 biennium. The combined total of general revenue and federal revenue sharing funds appropriated was $2,446.2 million, providing an increase of $503.3 million or 25.9 percent over the comparable total for the previous biennium. A summary of increases in biennial appropriations from all funds by various classifications of institutions and agencies of higher education is shown below:

	Biennium		Increase	
	1976-77	1978-79	Amount	Percent
Public Senior Colleges	$1,154,323,585	$1,373,206,492	$218,882,907	19.0%
Public Junior Colleges	313,806,862	426,214,135	112,407,273	35.8
Health-Related Agencies	496,600,491	662,581,736	165,981,245	33.4
All Other	313,442,817	428,152,252	114,709,435	36.6
TOTAL	$2,278,173,755	$2,890,154,615	$611,980,860	26.9%

Public Senior Colleges and Universities

Appropriations for the public senior colleges and universities increased $218.9 million or 19 percent over the 1976-77 biennium. In most of the Coordinating Board recommended formula areas, funds were provided to update enrollments as well as to supply increases in appropriated formula rates. Where applicable, formulas were adjusted to reflect a salary increase policy of 3.4 percent each year of the biennium. Rates of increase were different for various elements of cost, since each area has a different percentage of salaries to total expenditures.

An exception was in the area of Organized Research. Except for the University of Texas at Dallas, no upper-level institution received appropriations for Organized Research. Also no Organized Research appropriations were made to the University of Houston Downtown College. All other four-year institutions received the same amount in fiscal year 1978 as they had in 1977. Fiscal year 1979 amounts were 50 percent of 1978 funding.

The Coordinating Board recommended a formula for the first time in the area of Physical Plant General Services. The formula was used by the Legislature in determining formula amounts, except no off-campus semester credit hours were excluded in the computations.

Funds for new construction were received by Corpus Christi State University ($1,800,000), Laredo State University ($1,600,000) and Texas Eastern University ($4,087,597).

Public Community Junior Colleges

Total biennial appropriations to the public junior colleges increased $112.4 million or 35.8 percent over the previous biennium. Of this increase, $64.3 million is for additional support of general academic programs and

$48.1 million for vocational-technical programs.

Start-up funds were provided for academic and vocational programs in four junior college districts. In July the Board established procedures for allocation in the upcoming fiscal year of more than $7.9 million in start-up funds for enrollment increases at seven new community college campuses. The junior college start-up appropriations will be shared by Brookhaven, Cedar Valley and North Lake Colleges in the Dallas County Community College District; Valle Verde Campus in the El Paso Community College District; Houston Community College Technical Center and Cypress-Fairbanks Campus, both in the Houston Community College District; and Lubbock Extension Center of South Plains College.

Some $3.6 million in start-up funds was disbursed by the Board during fiscal year 1978 for Cedar Valley and North Lake Colleges and Houston Technical Center.

Health-Related Units

Appropriations for the 1978-79 biennium increased $166 million or 33.4 percent, compared with appropriations for the 1976-77 biennium. Units receiving new construction appropriations were Texas College of Osteopathic Medicine ($15,524,714), University of Texas Health Science Center at San Antonio ($9,262,500) and Texas Tech University School of Medicine ($1,400,000).

Coordinating Board

In addition to the special appropriation for the formula restudy the Board in the 1978-79 biennium received $2.8 million in contingency funding for enrollment growth at upper-level institutions. Of the $1.3 million appropriated by the Legislature for the 1978 fiscal year, more than

$1.0 million was lapsed back into the State Treasury. Funds totaling $345,024 were awarded to University of Houston at Clear Lake City, Corpus Christi State University, Laredo State University and Texas Eastern University.

The Board in July approved procedures for allocating $1.4 million in fiscal 1979 funds. Upper-level institutions eligible to receive contingency funding are the University of Texas at Dallas, University of Texas of the Permian Basin, University of Houston at Clear Lake City, University of Houston Center at Victoria, Corpus Christi State University, Laredo State University, Texas Eastern University and East Texas State University Center at Texarkana.

Of the $3.3 million appropriated for family practice residency training programs, the Board allocated some $764,090 in fiscal year 1978 funds in contracts with medical schools, licensed hospitals and nonprofit corporations to provide state funds for family practice residency training programs. In addition, $8 million was appropriated in the biennium for disbursement by the Board to the Health Sciences Center Hospital at Lubbock.

The following appropriations were made to continue activities and programs funded in the previous biennium:

--$25.7 million for contracting with Baylor College of Medicine;

--$16.0 million for contracting with Baylor College of Dentistry;

--$92,000 for contracting with Texas System of Natural Laboratories, Inc.;

--$21.1 million to fund the Tuition Equalization Grants Program; and

--$1.5 million to fund the Fifth Pathway Program.

Faculty Salaries

Despite a 3.1 percent increase in faculty salaries in 1977-78 over 1976-77 at Texas public senior colleges, faculty members lost earning power in 1977-78 as a result of a 6.5 percent nationwide inflation rate. In the 1977-78 academic year, budgeted faculty salaries rose to an average of $16,941, some $504 more than in 1976-77.

At the public community college level, average faculty pay stayed ahead of the 1977 cost-of-living rise by 2.7 percent. Salaries climbed 9.2 percent from $14,425 to $15,746 from 1976-77 to 1977-78.

The following tables show average faculty salaries in Texas for nine-month academic years since 1971-72, percentages of increase during the seven-year span and the average calendar year cost-of-living inflation rates measured by the Consumer Price Index as reported by the Bureau of Labor Statistics:

Average Budgeted Faculty Salaries, All Ranks
Texas Public Senior Colleges and Universities
1971-72 through 1977-78

Nine-Month Period	Texas Average*	Annual% Salary Increase	Average Annual% Cost-of-Living Increase**
1977-78	$16,941	3.1%	6.5% (1977)
1976-77	16,437	5.2	5.8 (1976)
1975-76	15,618	11.6	9.1 (1975)
1974-75	13,998	6.1	11.0 (1974)
1973-74	13,187	4.5	6.2 (1973)
1972-73	12,623	4.0	3.3 (1972)
1971-72	12,141	2.3	4.3 (1971)

*Coordinating Board salary survey based on average budgeted salaries paid to full-time and part-time instructional personnel for nine months of service

**Source: Bureau of Labor Statistics

Average Budgeted Salaries
Texas Public Community Junior Colleges
1971-72 through 1977-78

Nine-Month Period	Texas Average*	Annual% Salary Increase	Average Annual% Cost-of-Living Increase**
1977-78	$15,746	9.2%	6.5% (1977)
1976-77	14,425	6.5	5.8 (1976)
1975-76	13,546	11.6	9.1 (1975)
1974-75	12,138	7.8	11.0 (1974)
1973-74	11,259	4.7	6.2 (1973)
1972-73	10,754	5.3	3.3 (1972)
1971-72	10,209	6.2	4.3 (1971)

*Coordinating Board salary survey based on average budgeted salaries paid to full-time faculty personnel in general academic courses only for nine months of service.

**Source: Bureau of Labor Statistics

The number of full-time equivalent faculty members employed in Texas senior colleges and universities during the 1977-78 academic year increased by 5.7 percent over the previous year, bringing the FTE total to 14,968. Community colleges employed 3,353 full-time academic faculty members, a 3.2 percent decrease from 1976-77.

Research Funds

Funding for research at Texas public colleges and universities totaled $189.9 million for fiscal year 1977, a 12.3 percent increase over the previous year. Of the available funding, close to 60 percent was from the federal government and about 25 percent from the state. As seed money for research, state appropriations have been termed critical in attracting funds from other sources.

The sources of research funds in fiscal year 1977 are shown in the following table.

Source of Funds	Amount	Percent of Total
Public		
State Appropriated	$ 46,125,873	24.28%
Institutionally Controlled	4,718,041	2.48
Federal Government	111,012,282	58.44
Private		
Profit	6,203,920	3.27
Non-Profit	16,345,665	8.61
Other	5,550,343	2.92
TOTAL	$189,956,124	

Texas public senior colleges and universities received 66.1 percent of the research dollars available to the state in fiscal 1977. The remaining 33.9 percent went to medical, dental and health-related units.

The largest portion of the $125.6 million for senior academic institutions went to Texas A&M University. It received $51.8 million, 41.3 percent of the total. The University of Texas at Austin reported $40.9 million in research funding, some 32.6 percent of the total. More than half of the research monies at the senior colleges was expended in the area of physical sciences, including engineering and mathematics.

Medical research and biomedical research accounted for more than 95 percent of the $64.4 million received by public medical, dental and allied health units. The University of Texas Cancer Center received the largest share of that amount, some $26.5 million, for its research activities.

SENIOR COLLEGES AND UNIVERSITIES

The Coordinating Board in 1977-78 continued and further refined its procedures for analysis of program needs which were begun the previous year. In making decisions about program development, the Board considered institutional role and scope, student enrollments, efficiency of operation of existing programs and job market trends, among other factors. Texas universities cooperated with the Board in its efforts to respond to public and legislative concerns for cost effective quality in higher education.

Statutory mandates to the Coordinating Board include responsibilities to prescribe the role and scope for each public institution and to approve or disapprove all degree and certificate programs and courses, as well as new departments or schools. Protection of consumers of higher education in Texas from operation of fraudulent or substandard degree programs is another area of Board responsibility.

Statewide Guidelines for Faculty Workloads and Small Classes

In compliance with legislation enacted by the 65th Legislature (HB 1012), the Coordinating Board in July adopted guidelines for the development of institutional regulations governing faculty workloads and endorsed procedures for implementing statutory provisions concerning small classes. Following the recommendation of an advisory committee of institutional officials and faculty members, the guidelines provide a general framework within which boards of regents can develop institutional rules. They contain no statewide minimum workload standards.

The Board, as directed by law, adopted changes in its uniform reporting

system to collect information on the academic duties and services performed by each faculty member and on small classes.

The Board also agreed with the advisory committee in its conclusion that statutory prohibitions on offering small classes in the same subject either in consecutive semesters or concurrently would be likely to create hardships for a number of students. Board members voted to join with the institutions in asking that the existing legislation be amended to allow greater flexibility.

To expedite implementation of existing law, the Board approved additions to its uniform reporting system for inclusion of the new data. Definitions of "organized class" and "individual instruction" also were developed to prevent improper classification of courses and possible loss of funds by institutions.

In addition, the Coordinating Board urged institutional governing boards to adopt rules regarding faculty acceptance of additional employment such as consulting or teaching at another college or university.

Review of Program Requests and Administrative Changes

During the year 1977-1978 the Coordinating Board continued to work through the backlog of program requests which had accumulated during its 1976 moratorium on the consideration of new degree programs and administrative changes. Some entirely new requests also were reviewed. By Board action in January 1978, the postponement of consideration of doctoral degree requests continued.

Proposals were evaluated on the basis of institutional profiles showing program productivity, student enrollments and faculty and departmental

analyses of cost factors. Using staff analyses, the Commissioner of Higher Education and the Head of the Division of Senior Colleges and Universities conferred with campus administrators on institutional priorities and the relationship of these priorities to program requests and statewide needs.

During fiscal year 1978 the Coordinating Board approved 72 academic program requests: one associate, 27 baccalaureate, 30 master's and 14 certificate programs. These approvals included 23 programs for East Texas State University Center at Texarkana, which had lacked a separate program inventory. Institutions withdrew from consideration 13 programs: requests for two associate, two baccalaureate and nine master's programs.

The Board deferred consideration of 16 programs, some of which were later approved, and disapproved four programs. Nine administrative changes received Board approval. There were no disapprovals, but institutions withdrew six proposed administrative changes.

Some of the program approvals were alternative degree designations for already approved and operating programs; others involved restructuring of existing programs and thus called for little or no additional cost to the institution or to the state.

Course Inventory

The Coordinating Board in fiscal 1978 reviewed and processed 22,232 revisions to the course inventories of the 37 public senior colleges. There were 11,883 courses added to the inventory; 4,524 existing courses were altered; and 5,825 courses were deleted.

As directed by law, the Board each spring updates course inventories for courses to be offered during the following academic year--September

through August. Each course is reviewed for approval or disapproval according to the appropriateness of the subject matter in relation to institutional role and scope and approved programs. Particular emphasis was placed on coding each course by subject so that comparable courses and programs statewide could be recognized more accurately.

Statutes prohibit program expansion to include courses that are outside of approved degree and certificate programs without specific prior Board approval.

The Board revised and expanded its Course Inventory Update Manual to aid institutions in complying with their reporting responsibilities as established in the Texas Education Code.

Interdisciplinary Degree Guidelines

The Coordinating Board in March approved guidelines governing three types of interdisciplinary degree programs: bachelor of applied arts and sciences; interdisciplinary baccalaureate degree, such as the bachelor of general studies and the humanities degree; and the interdisciplinary master's degree. Rules and procedures for expanding course offerings contributing to to these degrees also were established by the Board at that time.

Academic Common Market

Legislation enacted in 1975 authorized Texas to participate in the Academic Common Market of the Southern Regional Education Board. Membership in the Common Market enables Texas students to enroll in certain graduate programs in other participating states at resident tuition rates. Students from those states may enroll in selected graduate programs in Texas at Texas resident tuition rates.

As directed by the Legislature, the Board in March adopted guidelines for Texas participation. Texas programs offered on the Common Market must be able to accommodate additional students with existing faculty and facilities, and admission of out-of-state students must not deprive qualified Texas students of a place in the program. Out-of-state programs made available to Texas students must not duplicate existing programs in Texas public universities unless those programs cannot admit all qualified Texas students who apply.

Private Non-Exempt Degree-Granting Institutions

The Coordinating Board continues to monitor private colleges and universities operating in Texas which are not accredited by a recognized agency. The Board has received 31 applications for authority to award degrees in the three years since legislation was enacted to protect consumers against operation of fraudulent or substandard institutions. In addition, the Board provided information throughout the year to the large number of institutions which expressed an interest in establishing a degree-granting program under Texas law.

Degree-granting authority is subject to renewal every two years. In July the Board began its first consideration of applications for recertification. Three institutions were recertified; one was denied renewal. Action on another college was postponed for additional evaluation. Institutions seeking extensions of their authority to operate in Texas must show that they are continuing to meet minimum standards of educational quality and administration set by the Board.

The application of one institution for an original Certificate of

Authority to operate in Texas was denied in fiscal year 1978. Two other private colleges were exempted from Board review with the addition in April of the Association of American Bible Colleges, through which both are accredited, to the Board's list of recognized accrediting agencies.

Operation of Out-of-State Schools in Texas

The Board also took steps to require accrediting associations to ensure quality in programs offered at Texas locations by institutions accredited in other states. Threatening to withdraw its recognition of any accrediting association which fails to protect quality standards at satellite operations in this state, the Board stated it would insist upon on-site evaluation of off-campus programs by the agency which accredits the parent institution. The amendment to Board rules governing private degree-granting institutions operating in Texas was adopted in April. It allows accrediting associations one year to implement procedures to ensure that standards of the association are being met at off-campus sites in Texas and to give the Board assurance of adequate supervision of each of those operations. Associations which fail to do so will lose their status as recognized accrediting bodies in Texas.

COMMUNITY COLLEGES AND CONTINUING EDUCATION

Responsibility for carrying out the Coordinating Board's statutory mandates for the creation of new community college districts and the adoption of standards and recommendations for development of public junior colleges lies with the Division of Community Colleges and Continuing Education. In this area, the Board also promulgates a core of freely transferable academic courses and encourages establishment of new certificate programs in technical and vocational education in cooperation with the State Board of Vocational Education. Development of recommendations on Board policy concerning off-campus and out-of-district course offerings and coordination of noncredit adult and continuing education activities are among other areas of primary concern. In addition, the division administers the federally funded Community Service and Continuing Education Program and the Texas Statewide Corrections Intern Program.

Community Junior Colleges

Enrollment in Texas public community junior colleges climbed from 291,556 in fall 1976 to 309,547 in fall 1977, a 6.17 percent increase. To accommodate this continuing growth, three new campuses began operations during fiscal year 1978. Brookhaven College opened in the Dallas County Community College District, and the Trans-Mountain and Valle Verde Campuses of El Paso Community College District began classes as the fiscal year ended. They bring to 59 the number of campuses operated by the 47 community college districts in Texas.

Recognizing the need for comprehensive community college services in

areas which do not meet the criteria for establishing a separate community college district, the Coordinating Board in April adopted rules to regulate and control the establishment and operation of junior college branch campuses. At the same time, the Board reaffirmed its long-standing policy supporting the creation of community college districts in locations which meet the minimum criteria only when they can be established by vote of the people, governed by locally elected trustees and supported by local ad valorem taxes.

To conform with guidelines adopted by the state auditor, the Board in March revised its procedures for the reporting of contact hours by the community junior colleges for state reimbursement. At that meeting, the Board also adopted rules to implement legislation passed in 1977 which permits public community junior college boards to waive the difference between out-of-state and resident tuition for individuals and their dependents who own property subject to ad valorem taxation by the junior college district.

Certificate and Degree Program Development

During 1977-78 the Joint Program Review Committee of the Coordinating Board staff and the Texas Education Agency approved 120 technical-vocational programs at in-district locations and 67 at out-of-district locations for the 47 community college districts in the state. No new less-than-baccalaureate programs were approved for public universities during the year. However, the State Board for Vocational Education approved seven new technical-vocational programs for the Texas State Technical Institute.

Off-Campus, Out-of-District Instruction

During 1977-78, considerable attention and effort focused upon strengthening Coordinating Board rules and regulations to assure quality in off-campus and out-of-district courses. Recommendations for improving the maintenance of quality and clarifying provisions in existing rules were developed by the eight regional higher education councils and the Association of Texas Graduate Schools after more than a year of study. In July the Coordinating Board adopted proposed rule amendments to achieve those objectives.

The revised regulations prohibit the awarding of doctoral degrees based totally on off-campus studies. Other major provisions in the proposed amendments require that:

--At least one-third of the semester hours required for a degree be completed in course work on the campus of the institution awarding the degree unless the Coordinating Board grants specific authorization for an external master's degree program.

--Facilities, course content and faculty for off-campus and out-of-district instruction meet the same standards for quality that are required for on-campus courses.

--Faculty members in universities have some annual involvement on the home campus.

In a related matter, an ad hoc advisory committee developed special provisions to govern out-of-state and foreign instruction offered by Texas public colleges and universities. The committee recommended further amendments to the Coordinating Board rules to assure that most out-of-state and foreign instruction will be self-supporting without formula funding, except in cases where Texas students are provided opportunities to benefit from

unique resources not available on campus. The committee's recommendations were to be presented to the Coordinating Board for consideration in October 1978.

Off-Campus, Out-of-District Course Approvals

In April the Coordinating Board approved annual plans submitted by 25 community colleges and four universities for off-campus and out-of-district lower-division courses. The annual plans for 1978-79 call for a net increase of 84 programs, after the elimination of all programs in eight locations and termination of selected programs at five locations.

In July the Commissioner reported to the Board his approval of 3,059 upper-level and graduate credit courses, including six out-of-state locations and 103 sites in foreign countries. The Commissioner also approved 105 extension credit courses to be taught at no expense to the state. He disapproved 74 requests from seven institutions. The 3,059 approved resident credit courses represent a decline of 17 percent from the 3,690 approved for 1977-78.

Noncredit Instructional Activities

Included in the amendments proposed in July to the Board's rules for off-campus instruction is a provision encouraging colleges and universities to resolve among themselves conflicts arising from the offering of noncredit classes including short courses and workshops. When conflicts cannot be resolved among the institutions, they are to be referred to the Commissioner, who may ask the appropriate regional higher education council for a recommendation.

Community Service and Continuing Education

Major changes were made in the Community Service and Continuing Education program (CSCE) under Title I-A of the Higher Education Act of 1965, as amended. The Coordinating Board administers federal funds appropriated to the state for that program. In July the Board adopted new procedures for funding community service, continuing education and resource material sharing projects when it modified the State Plan and adopted the 1979 Annual Program Plan.

State Plan For Community Service and Continuing Education

The State Plan for Community Service and Continuing Education is designed to initiate a comprehensive, statewide system of community service and continuing education programs.

In recommending to the Coordinating Board the new procedures for FY 1979, the CSCE Advisory Council recognized the necessity to design and test a possible system for state funding of public service and continuing education activities in the future.

According to the Annual Plan, Title I-A funds in 1979 will be allocated in four categories. Ninety percent of the funds are to be shared equally among start-up programs for institutions developing programs to serve a new constituency of adult learners, community service programs to assist state and local government agencies by making available academic resources and continuing education programs. The remaining 10 percent is earmarked for planning for resource materials sharing programs to assist the Coordinating Board in developing a statewide system of community service and continuing education.

CSCE Projects Funded

During 1977-78 the Coordinating Board awarded $830,332 to support 69 community service and continuing education projects at 17 public universities, five independent colleges and universities, one consortium of three independent universities and 10 public community junior colleges. Institutions are encouraged to undertake projects for strengthening or improving state or local government. The $830,332 in federal grants will be matched with $642,010 from nonfederal sources.

Texas Statewide Corrections Program

For the third year the Coordinating Board administered the Texas Statewide Corrections Intern Program on behalf of the Criminal Justice Division of the Office of the Governor. Through this program, students enrolled in various fields of criminal justice education receive small stipends for working temporarily in corrections agencies throughout the state.

Student interns experience directly the day-to-day responsibilities and challenges of a correctional officer, helping them to determine realistically how well-suited they may be for commitment to a professional career in this area. The interns also supply needed manpower to assist state, regional and local corrections agencies in Texas. Faculty awareness of problems in corrections is enhanced as well, increasing faculty ability to contribute research and technical assistance to this area.

A grant of $280,130 enabled 94 interns from 26 funded projects to work in statewide correctional facilities during the spring 1978 semester. Five additional interns were sponsored by the Texas Youth Council. In the summer 143 students were employed as interns in 27 projects, with five

supplementary internships being sustained by the Texas Youth Council. These 247 student interns represented 23 educational institutions throughout the state.

HEALTH AFFAIRS

The Coordinating Board in 1978 was heavily involved in implementing the family practice residency training act (House Bill 282) passed by the 65th Legislature and in assessing a number of medical, dental, nursing and allied health programs. Coupled with its responsibilities for staff support in those areas, the Division of Health Affairs evaluated requests for new health-related degree programs and administrative changes.

Family Practice Residency Program

A total of $764,090 was allocated by the Coordinating Board to plan, expand and operate family practice residency programs in Texas during fiscal year 1978. Twelve existing programs received $683,990 to expand and stabilize ongoing training of residents in Austin, Corpus Christi, Waco, Galveston, Houston, Fort Worth, Lubbock, Amarillo, El Paso, McAllen and San Antonio. In addition, $70,100 was allocated to begin planning and preparation for accreditation of eight new programs in Wichita Falls, San Angelo, Baytown, Victoria, Dallas and Grand Prairie.

The 65th Legislature appropriated state funds for the family practice residency training program, enacted to improve the distribution of family physicians and the delivery of medical care in underserved urban and rural areas of the state.

A Family Practice Residency Advisory Committee, mandated by the Legislature, was appointed to make recommendations to the Coordinating Board concerning allocation of state funds and procedures for funding the planning and operation of family practice residency programs.

The committee was composed of nine members representing medical and health-related associations and three gubernatorial appointees representing the general public. Elected chairman for fiscal year 1978 was Dr. Edwin Franks of Iraan, Texas, president of the Texas Academy of Family Physicians. Members were Dr. Christian Ramsey, director of the McLennan County Family Practice Residency Program, and Dr. Thomas Nicholas, chairman of the Department of Family Medicine at Texas Tech University School of Medicine, both representing the Association of Family Practice Training Programs; Alton Pearson, Waco hospital administrator, and Lloyd Cannedy of Amarillo, executive director of the Amarillo Hospital District, both representing the Texas Hospital Association; Dr. T. Robert Sharp, Mesquite physician, representing the Texas Osteopathic Medical Association; Dr. Jack Haley, Houston physician, appointed by the Texas Medical Association; and Dr. Franks. The three gubernatorial appointees were Judge Jack Miller of San Saba, Dr. Exalton Delco Jr. of Austin and Jack Whetsel of McAllen.

The advisory committee held nine meetings during the year to review requests for state funds from residency programs and from communities and hospitals beginning plans for development of programs. The committee also recommended procedures and criteria for funding of family practice residency programs, which have been adopted by the Coordinating Board as official rules governing disbursement of state funds. Guidelines for funding of the residency programs were developed by the advisory committee to describe appropriate use of state funds, approximate

amounts of money to be allocated at various stages of development of programs and an outline of requirements for accreditation of family practice residency programs.

A total of 267 residency positions in 12 existing programs were filled as of Sept. 1, 1977. That figure marks an increase of 32 positions over the previous year before the beginning of state support of the family practice residency program.

Medical, Dental Contracts

At its July meeting, the Coordinating Board approved contracts for the allocation of trusteed funds to Baylor College of Medicine and Baylor College of Dentistry for fiscal year 1979. Funds have been appropriated to the two institutions since 1971 for the education of undergraduate medical and dental students who are Texas residents. Based on the number of Texas students enrolled, the aid to Baylor medical college will total $12,584,725 for the 1978-79 academic year. Some $7,944,936 will be allocated to the dental college.

The amount of funding is based on the average annual state tax support per undergraduate medical and dental student at established public institutions.

Baylor College of Dentistry was commended by the Coordinating Board in March for its efforts during the past decade in improving the supply of dentists in Texas. Since 1968 the dental school has cooperated with the state by increasing the number of Texas residents admitted to its entering classes. As a result, the 1978 entering class contains 50

more state residents than the 1968 entering class.

Health Sciences Center Hospital at Lubbock

A $4,000,000 contract for start-up funds for the Lubbock Health Sciences Center Hospital was approved for fiscal year 1979 at the July Coordinating Board meeting. The hospital provides clinical facilities for programs at the Texas Tech University School of Medicine. Provisions of the contract stipulate that there be no reduction of the local hospital district tax effort as a result of the appropriation and transfer of state funds to the hospital. The hospital district received a similar amount for the 1978 fiscal year.

Fifth Pathway

The Legislature appropriated $750,000 for each year of the 1978-79 biennium to the Coordinating Board for clinical training of foreign medical students who must be bona fide Texas residents. Amount of support per student is not to exceed $25,000. Since its first year of operation in 1976, 16 students have enrolled for the year of supervised clinical training in a Texas medical school. Participating schools have included the four University of Texas System medical units and Baylor College of Medicine. The program was enacted by the 64th Legislature.

Nursing Education

A progress report on evaluation of baccalaureate-level nursing programs in Central Texas was presented to the Coordinating Board at its July 1978 meeting. The Board a year earlier had directed the staff to

monitor the progress of the four existing bachelor of science in nursing programs in the area.

At its July 1977 meeting, the Coordinating Board deferred until July 1979 the request of Southwest Texas State University for a BSN degree. Board members asked that a progress report be made on other programs in the intervening year.

The BSN programs in Central Texas are offered by two public institutions, University of Texas at Austin and University of Texas Health Science Center at San Antonio, and two independent institutions, University of Mary Hardin-Baylor in Belton and Incarnate Word College in San Antonio. All four schools offer special programs enabling registered nurses from diploma and associate degree programs to obtain the BSN degree in a shorter period of time than is usually required by a traditional nursing program.

Each school reported progress in making available the BSN degree to RNs in the area, including access to part-time study. With the exception of Incarnate Word, the institutions reported increased applications and enrollments in the RN-BSN programs. All four schools conducted surveys to determine the extent of demand for the program and to identify potential students.

UT-Austin offers seminars twice a year to assist RNs in "challenging" the two junior nursing courses to earn 27 semester hours of credit without unnecessary course repetition. Challenge exams are offered three times a year.

Clinical experiences are individualized in the two senior-level nursing courses to reduce the number of hours from that required of students in traditional four-year programs and to permit RNs to continue working full time.

UTHSC-San Antonio offers a flexible process program allowing RNs to complete the baccalaureate program in one year through a combination of examination and formal course work, based on individual abilities and knowledge.

Prerequisite courses and electives are offered at night by Mary Hardin-Baylor, making it possible for RNs to continue working while upgrading their education. Students may challenge up to 45 semester hours of the required 62 hours in nursing. Clinical learning needs are assessed on an individual basis.

Incarnate Word has a challenge exam policy which permits an accelerated program. RN students may challenge the second and third semesters.

Curricula and schedules undergo continual revision in all four programs to improve efforts for meeting the needs of RN students while maintaining the high standards of nursing education.

STUDENT SERVICES

Financial assistance is available to needy students enrolled in postsecondary institutions in Texas through several state-sponsored programs. The Coordinating Board, through its Division of Student Services, administers the statewide programs. Major assistance programs include Hinson-Hazlewood College Student Loans, Tuition Equalization Grants (TEG) and Texas Public Educational Grants (TPEG). The Board also administers the federal State Student Incentive Grant (SSIG) Program which provides funds for matching grants to undergraduate students receiving TEG or TPEG awards.

The various programs of tuition waivers and Texas residency requirements for determining tuition charges at public institutions also are administered by the Student Services Division. Information on the numerous sources of student assistance is published by the Board in Financial Aid for Texas Students. That publication was updated in the spring to incorporate changes in Board rules and regulations and in state law.

In other activity, the staff of the division provided assistance to the interim legislative committee studying the options for state involvement in a guaranteed student loan program. A report on that issue was being prepared by a consulting firm, with assistance from division staff, for presentation to the interim committee. In addition, the division continued its administration of a federal grant for planning and conducting programs for training student financial aid officers at postsecondary institutions.

College Student Loan Program

The Coordinating Board in October 1977 approved substantial increases

in the amounts students may borrow through the Hinson-Hazlewood College Student Loan Program. Loan limits for both undergraduate and graduate students were raised to $2,500 annually, largely in response to requests from the state's medical schools and private institutions. The total amounts students may borrow during their college careers also were increased, in most cases, to correspond with the higher yearly allowances.

Some 12,077 students participated in the Hinson-Hazlewood College Student Loan Program during fiscal year 1978, borrowing $12,306,148. Those figures reflect a decrease from the previous year of almost 4,300 students and approximately $4,000,000. Increased availability of the federal Basic Educational Opportunity Grant was a primary factor in the declining loan volume.

Revisions in loan program procedures adopted in fall 1976 require the Board to limit loans at institutions showing loan default rates of more than 10 percent of the amount in repayment. It is believed that these new procedures have not prevented the enrollment of any serious student but that they have caused institutional financial aid officers to plan more creative aid packages for needy students without as much dependence on student loans. The Board's requirement for borrowers to name an agent for service of process also has caused borrowers to assume loan obligations more responsibly. The procedure is beginning to ease the burden of dealing with delinquent borrowers who cannot be located, when it is necessary to file suit.

In fiscal 1978 the Board, in cooperation with the State Attorney General, filed suit against 6,008 borrowers who were past due on six or more payments. Suit has been filed against more than 20,000 borrowers in

the past four years, and more than 6,000 judgments have been awarded to the Board. While many judgments may prove empty, the Board collected more than $100,000 in 1978 by demanding payment in full from persons seeking release from those claims.

Acting in conjunction with the Texas Education Agency, the Board identified some 2,600 delinquent borrowers who were or recently had been employed by public elementary and secondary schools in the state. They were advised of intended action, and the State Comptroller was asked to release no warrant--including refunds from the Teacher Retirement System--to such persons without prior approval of the Board. A similar procedure has been in use for several years for delinquent borrowers employed by state agencies and institutions.

First loans were made through the Hinson-Hazlewood Program (then called the Texas Opportunity Plan) in fall 1966. Since that time a total of $202,058,761 has been loaned to 133,563 students through 144 participating institutions.

Participation in Federal Insured Loan Program

The Hinson-Hazlewood Program in August 1971 entered into a contract with the U.S. Office of Education which, until Sept. 1, 1977, provided 100 percent insurance against loss due to death, disability or default on loans. Loans made after that date became subject to less than 100 percent insurance if the default rate on such loans exceeds 5 percent of the amount in repayment in a given year, as provided in the Higher Education Amendments of 1976. Those amendments are designed to encourage states to operate guaranteed student loan programs, which are eligible for federal

reinsurance on defaulted loans paid by the state to lenders. As a result of the new provisions, an interim committee of the 65th Legislature began studying the advantages and disadvantages of a state guarantee program to make recommendations to the 66th Legislature. The Coordinating Board contracted with Touche Ross and Co. for an in-depth study of guaranteed student loan programs operating in other states. Findings of the study are expected to be available for consideration of the interim committee in making its report to the Legislature.

Bond Sales

The Hinson-Hazlewood Program was able to make all loans requested in fiscal 1978 without a bond sale. Additional bond revenue was unneeded primarily because of increased collections of outstanding loans, declining volume of new loans and other improved conditions. Money on hand was sufficient to fund loan requests, as well as to meet bond retirement schedules, without need to sell bonds within the year. Projections further indicated that a sale will not be necessary in fiscal 1979.

Because funds being used for loans are not a part of a current bond sale, the Board in July was able to set the loan interest rate at 7 percent. Interest rate on loans made from current bond sales is subject to arbitrage bond regulation of the Internal Revenue Service and may not exceed the bond sale rate by more than 1.5 percentage points.

To date the Board has sold $205.5 million of the $285 million of constitutionally authorized bonds. Of this principal, $30,755,000 has been retired, leaving $174,745,000 in net bonds payable.

Tuition Equalization Grant Program

Almost 20,000 students qualified in fiscal 1978 for Tuition Equalization Grants totaling $10.5 million. These students were enrolled in 44 independent Texas colleges and universities. The maximum received by any one student was $600, and grants averaged $526.

Authorized in 1971, the TEG Program made grants totaling $1 million to 2,500 freshmen in fiscal 1972. The program was expanded each successive year to allow an additional classification of students to participate. Since 1974, all levels, including graduate students, have been eligible.

The Office of the Attorney General assisted the Board in developing rules and regulations for the administration of the TEG Program. The regulations preclude grants for the benefit of sects, religious societies or theological or religious seminaries. At the same time, the regulations avoid "excessive entanglements" in the internal affairs of private institutions. Institutions participating in the program must certify that employees are not required to acknowledge belief in or to adhere to any particular religious doctrine.

Texas Public Educational Grants Program

The Texas Public Educational Grants Program was authorized by the 64th Legislature as one of two new programs under the Student Financial Assistance Act of 1975.

Institutions generate funds for the grants by setting aside 25 cents of each $4 per semester hour tuition charge to residents of Texas and $1.50 of each $40 per semester hour charge to nonresidents. Grants are awarded on the basis of financial need. No more than 10 percent of awards may be made

to nonresidents. Foreign students are ineligible to participate in the program. Awards are made directly to students.

Each institution is authorized to transfer to the Coordinating Board any or all funds set aside for Texas Public Educational Grants. Those funds then may be used for matching federal or other grant monies available for making awards to students attending that particular institution. To match federal State Student Incentive Grant funds, 65 institutions in 1977-78 transferred $1,181,608 to the Coordinating Board.

TPEG funds matched with SSIG monies are administered by the Coordinating Board through the Texas Public Educational-State Student Incentive Grants Program (TPE-SSIG). Criteria for these grants are generally the same as those for the TPEG Program, with certain additional requirements set for the SSIG Program. In fiscal 1978, 5,650 students enrolled in public institutions benefited through the TPE-SSIG Program. The average award was $418.

State Student Incentive Grant Program

The State Student Incentive Grant Program was authorized in the federal Higher Education Amendments of 1972. Initial funding was appropriated for implementation in fiscal year 1975.

Federal funds in the amount of $3,307,966 were received and disbursed in grants to 10,000 qualified students in fiscal 1977. The federal funds are awarded as equal matching grants for eligible students receiving TEG and TPEG grants. The average grant was $331.

Texas Assistance Grants Program

In addition to the Texas Public Educational Grants Program, the Student

Financial Assistance Act of 1975 authorized the Texas Assistance Grants (TAG) Program. Its goal is to "supply grants of money enabling students to attend postsecondary educational institutions, public or private, of their choice in Texas." The Coordinating Board is to award grants to eligible students enrolled in approved institutions. Grants may not exceed $1,000 per student in a fiscal year and should not be above the amount of financial need demonstrated by the student.

However, state funds for implementation of this program were not appropriated for either the 1976-77 or the 1978-79 biennium. When funding becomes available through this program, grants can be made to vocational and technical school students who are not now covered under the existing TEG and TPEG Programs. Grants through the TAG Program also will qualify for matching federal funds through the State Student Incentive Grant Program.

Tuition and Fees

With a tuition rate at public institutions of only $4 per semester credit hour, tuition and fee charges for residents of Texas are among the lowest in the nation. The $40 per semester credit hour rate paid by non-residents and the $14 per hour rate for most foreign students also are low in comparison with similar charges at public institutions in other states.

Students registering in state-supported institutions also are required to pay a student services fee not to exceed $30 per semester; a medical services fee, as determined by the governing board of the institution, not to exceed $15 per semester; and building use fees not to exceed $6 per semester credit hour, except at institutions which had maximum fees

frozen at an amount greater than $6 when the Legislature established the ceiling in 1975. Student center fees of up to $15 per semester are legislatively authorized at several senior institutions.

Residency Determination for Tuition Purposes

The Texas Education Code (Section 61.059 [d]) assigns the Coordinating Board responsibility for the development of tuition policies for public institutions of higher education. In keeping with this responsibility, the Board in March updated its publication outlining state statutes concerning residence classification for tuition purposes. The publication also contains regulations adopted for uniform interpretation of the statutes and for determining appropriate tuition charges for foreign students.

One portion of the foreign student tuition policy provides for reciprocal charges for students from countries whose public institutions charge U.S. citizens no more than $200 in U.S. currency per semester. Students from 97 countries are eligible to register at Texas public institutions at a rate lower than the regular nonresident fee.

The 65th Legislature amended state law to allow public junior colleges to waive the difference between resident and nonresident tuition charges for a person, and his or her dependents, who owns property which is subject to ad valorem taxation by the junior college district. The Board in March adopted regulations which require students applying for the waiver to verify property ownership by presenting an ad valorem tax statement or receipt from the junior college district. A deed or property closing statement also is acceptable.

Other State Financial Aid Programs

The State of Texas provides a variety of other financial aid programs for college students in addition to the centrally administered programs mentioned above.

Nine statutory provisions exempt several categories of students from payment of tuition and/or certain fees at public institutions. Students eligible for such exemptions include the highest ranking graduate of accredited Texas high schools, certain students from other nations in the American hemisphere, blind and deaf students and certain veterans and their dependents.

CAMPUS PLANNING AND PHYSICAL FACILITIES DEVELOPMENT

Providing guidance in campus planning and physical facilities for Texas public colleges and universities is one of the statutory mandates of the Coordinating Board.

Fulfillment of this responsibility encompasses a wide range of activities each year. The Board approves or disapproves construction and major renovation of academic facilities and the acquisition of real property by Texas institutions. It maintains a statewide facilities inventory, incorporating annual revisions of estimates of space needs of educational institutions. The planning and publication of relevant studies also are undertaken throughout the year. In addition, federal grant programs for facilities and equipment and materials are administered by the Board. These activities are conducted through the Division of Campus Planning and Physical Facilities Development.

Approval of Construction Projects and Real Property Acquisition

Responsibility for approval of facilities construction projects was expanded during the past two legislative sessions. To comply with legislation enacted in 1975, the Board adopted guidelines to assure that proposed projects would conform with the institution's role and scope and be based on comprehensive and current institutional campus master plans. Consideration of requests for construction projects also must include an evaluation of the effective use of space in the proposed facility and the relative need for the additional space. The guidelines

further require each institution to file a certificate of compliance with the Coordinating Board to insure that proposed projects meet standards of accessibility for the handicapped. Financial implications of proposed projects were not considered until passage of Senate Bill 450 by the 65th Legislature. It directs the Coordinating Board to evaluate and review financial impact of projects with budgets over $500,000. New construction and major repair and rehabilitation projects specifically authorized by the Legislature are exempt from Board approval. Other exempted projects are those financed from the ad valorem tax receipts of public junior colleges and those for repair and rehabilitation costing less than $100,000.

In accordance with those standards, 52 construction projects at 27 institutions received Board approval in 1977-78. Their cost totaled over $124 million. Since passage of the 1975 legislation, the amount of additional indebtedness approved by the Coordinating Board for facilities at public institutions of higher education stands at $243,720,411.

The Board approved seven requests for the acquisition of real property at institutions of higher education, adding approximately 16 acres to the real estate holdings of six Texas public senior institutions. The acquisitions were endorsed only after thorough evaluation to assure conformity with institutional role and scope and the campus master plan. Guidelines of professional land appraisers were followed to make certain that the proposed purchase price was not excessive.

In addition to those projects approved by the Coordinating Board, the 65th Legislature appropriated over $44 million dollars for new con-

struction programs and an additional $59 million for remodeling and rehabilitation of existing facilities. Projects receiving special legislative funding do not require the Board's review.

Development of Long-Range Campus Master Plans

The Coordinating Board bases consideration of new construction or major repair and rehabilitation projects upon a comprehensive and current institutional campus master plan. A contingency, then, for Board approval is the availability of a campus master plan or an approved process for assuring that such a plan is in development.

Long-range plans for campus development are the result of a dynamic, continuous process. "Master plans," therefore, are subject to continuing review to assure responsiveness to modification of institutional role and scope and changing institutional and student needs.

The Board asked institutions failing to meet minimum criteria to proceed with development or comprehensive revision of their long-range campus plans. And more than 20 institutions filed new or updated long-range master plans in fiscal year 1978.

These long-term campus and facilities development plans, according to Board guidelines, must (1) establish a priority of construction needs, (2) relate construction plans to academic role and scope, (3) show an existing site plan and (4) describe a proposed land-use plan.

The Coordinating Board maintained its evaluations of campus master plans in accordance with strengthened procedures adopted during the previous fiscal year. After on-site review of proposed construction and

renovation projects, division staff analyzed campus master plans and physical facilities inventories for institutional and Board guidance.

Use of Physical Facilities Inventory

Expansion in recent years of the Board's responsibility for facilities planning has prompted increasing use of the physical facilities inventory by the staff and institutional representatives alike. Institutional profiles undergo continual review to assure delivery of data summaries based on the most relevant information available. A thorough review and revision of the 1973 Facilities Inventory Manual is in progress to expand the taxonomy of space classification codes and improve definitions and instructions. Certain program and printout format changes are anticipated to make the inventory more responsive to the needs of its users.

Facilities Inventory Workshops

For the seventh consecutive summer, the staff conducted inventory workshops for college facilities planners. Duplicate workshops were held this year in Dallas and Houston. Approximately 80 representatives of 50 public and independent junior and senior institutions attended the two sessions to discuss common problems and comment on procedures for updating facilities inventories. These workshops afford a valuable communication link between the institutions and the Board on matters of mutual concern.

Monitoring of Access to the Handicapped

The Coordinating Board and the Texas Rehabilitation Commission in May cosponsored a workshop on the handicapped in higher education. Aimed at exchanging ideas that work, the conference included a review and discussion of Section 504 of the federal Rehabilitation Act, with emphasis on the removal of architectural barriers to the handicapped. The Division of Campus Planning and Physical Facilities Development for several years has been responsible for collecting "certificates of compliance" for both new construction and major renovation projects at the state's public campuses. A 1975 state law directs the removal of such barriers to state buildings. The federal law exceeds state requirements, and the Board's staff is monitoring progress in this area should state-level assistance be needed. (Discussion of federal efforts appears later in this chapter.)

Budgetary Liaison with Legislative Budget Board and Governor's Office

During 1977-78, the Division of Campus Planning and Physical Facilities Development continued its association with the Legislative Budget Board and the Governor's Budget Office in matters relating to facilities and facilities planning. As preparations began for the 1979 legislative session, one area of Board concern focused on funding of major repair and rehabilitation projects and on the broader implications of this form of capital investment in facilities. A team of two consultants, both graduate engineers, was hired to review each major repair and rehabilitation proposal. This review provided information for a report to the

Legislative Budget Board and the Governor's Office and served as a pilot project in statewide facilities evaluation. After studying survey results, the staff may consider incorporating these procedures in assessing the condition of facilities statewide, establishing priorities for major renovation and comparing the condition of facilities to their optimum levels of use.

Housing Survey

In its annual survey of student housing on Texas college and university campuses, the Coordinating Board found that the traditional dormitory residence continued to gain in popularity. This trend marks a return toward institutional housing alternatives, as opposed to those off campus. The survey collects data on available institutional housing units as well as on occupancy rates and overall demand for residence accommodations. Average occupancy rate among the public senior institutions increased from 89.3 percent in 1974 to 92.6 percent in 1977. The rates of occupancy ranged from a low of 44.0 percent at one university to a high of 100 percent at seven universities.

Public junior colleges in the survey averaged an occupancy rate of 78.7 percent, down from 82.7 percent in 1974. Occupancy ranges varied from a low of 46.1 percent at one institution to a high of 100 percent at 14 colleges.

Occupancy averages in private institutions increased from 91.4 percent in 1974 to 93.7 percent in 1977. One private college had a rate of only 59.6 percent, but four institutions were fully occupied

and had excess demand.

Federal Program Administration and Reporting Requirements

The Coordinating Board administers three federal programs under the 1965 Higher Education Act for planning and construction of campus facilities, purchase of teaching equipment and materials, and identifying and removing barriers to the handicapped. All Texas institutions, both public and private, are assisted by the Board staff in planning and implementation of approved federal grant programs. Funding for the Title VII program for facilities planning and construction was not appropriated by Congress for fiscal year 1978, although the staff continued to respond to inquiries from institutions concerning the grants.

Instructional Equipment Grants Program

Federal equipment grants totaled $446,273 to 36 Texas colleges and universities in the 1978 fiscal year. The Coordinating Board in March endorsed a priority list for project funding, and the state's allocation was disbursed in that order to schools for the purchase of instructional equipment and materials and closed circuit television.

The Title VI-A program aims at improving the quality of undergraduate instruction by providing financial assistance to institutions on a matching basis for additional equipment and materials.

Eligible institutions receive initial grants of $15,000 or 50 percent of the project cost, whichever is less. Funds are assigned to

projects in the order of their priority until the state allocation is exhausted. In 1977-78 the Board received a total of 81 applications for Title VI-A funds from 58 institutions. The 36 institutions receiving grants represent approximately 29 percent of all Texas colleges and universities. The applications submitted requested federal funds of more than $1.15 million

Construction Grants Program

The Carter administration proposed a $50 million grant program for colleges and universities to offset the costs of complying with new regulations to prohibit discrimination against the handicapped.

To be funded under Title VII--Facility Renovation and Construction for Higher Education Facilities--of the Higher Education Act, the program represents the first time the administration has committed itself to financial aid for compliance with Section 504.

Under the program, the $50 million would be distributed among the states on a formula basis. State higher education commissions then would allocate funds among institutions according to criteria in state education plans. Institutions would be required to match federal dollars.

The Office of Education also unveiled plans for Section 504 financial assistance in a fiscal 1978 supplemental request for $30 million in loans to colleges, also under Title VII. OE hopes to distribute that money from a revolving loan fund to help institutions remove barriers to the handicapped, make their facilities energy-efficient and comply with state and federal health and safety laws.

More than $95 million in federal grants has been awarded in the past to Texas institutions for academic facilities construction.

During fiscal year 1978, some 13 projects funded through the program were still under construction at Texas institutions. Three other approved projects were not yet started. The combined total of projects under construction and projects approved but not yet started represents a development cost of more than $32 million and federal grants in excess of $4 million.

HEGIS 1978: Barriers to the Handicapped

As an outgrowth of Section 504 regulations of the federal Rehabilitation Act, Texas colleges and universities were being asked to report information on the accessibility of facilities to the handicapped on their campuses. The Coordinating Board entered into a contract with the National Center for Educational Statistics and the Higher Education Facilities Services, Inc. to assist in gathering data from 41 Texas institutions. A sample of the responses on the amount of accessible and inaccessible space to the handicapped was to be audited by the Board staff. That information would provide a basis for Congress to determine state funding needs for modification of facilities to comply with the legislation.

Federal Energy Project Funds

Approximately one-third of the state's colleges and universities are expected to receive federal funds for technical assistance and con-

servation grants under current national energy proposals. Nearly all will receive money for energy audits. The Federal Energy Administration has developed guidelines for the proposed program to spend $900 million on technical assistance and energy savings grants at schools, colleges and health care facilities.

The Coordinating Board is assisting the Governor's Office of Energy Resources with the planning efforts for the technical assistance grants and audits of the state's colleges and universities.

ADMINISTRATION

Support services provided by the Division of Administration were expanded in fiscal year 1978 to include a new personnel office and responsibility for administration of the new Texas State College and University Employees Uniform Insurance Program. The division also coordinates the development, implementation and use of the comprehensive Management Information System. Other areas of service include accounting, budgeting, purchasing and supply, printing, mail service, computer operations and educational data collection.

During the fiscal year, the Board continued to refine and improve its Management Information System. The nucleus of this system is a comprehensive data base developed for each college and university from information submitted to the Educational Data Center. From that data base, institutional profiles and departmental analyses were generated for a number of institutions. Use of the profiles has become an integral part of the Board's review of program requests at public colleges and universities.

The Administration Division incorporates five primary areas of operation: Business services, personnel services, educational data center, data processing and higher education insurance program.

Business Services

The business services section offers program support which includes a general accounting system, auxiliary grants accounting system, student loan fund and interest and sinking fund accounting system. All monthly and annual federal and state financial reports are processed by this section.

Over $170 million was disbursed from this office during the year.

The business services section is responsible for processing all payrolls as well as Internal Revenue Service, Social Security, retirement and insurance reports.

Supply and purchasing also are handled by business services staff. In addition, an equipment inventory is kept on all capital outlay items, and missing items are reported annually to the State Auditor.

The print shop processed over 1,600 different printing requests during the year. The majority of the Coordinating Board printing is done in this shop; only a few items are sent to outside printers.

Over 500,000 pieces of mail were sent out by the Coordinating Board during fiscal year 1978. Postage costs totaled more than $140,000.

Personnel Services

The Coordinating Board continued to make progress during 1978 in meeting its affirmative action goals. The most significant improvement occurred in the number of minorities hired, with minority employment increasing to 28 percent.

Establishment of a personnel office in September 1977 helped improve the coordination of personnel services to the staff. Among the services offered are staff development and training; career counseling; administration of the worker's compensation, retirement and group insurance programs; and employee/supervisor consultation on personnel matters. Responsibility for recruitment and preliminary screening of job applicants also is handled through the personnel office.

Educational Data Center

The Educational Data Center serves as the Coordinating Board's clearinghouse for comprehensive data on Texas colleges and universities. That information is invaluable in measuring the progress of the state's postsecondary educational system and in projecting future educational needs.

A wealth of statistics is supplied by the data center for use by the Board in educational decision-making. Data also are made available to other state and national agencies upon request.

In addition, media services are coordinated through the data center to aid division staff in making recommendations concerning long-range planning and program requests. Various educational presentations are another responsibility.

In cooperation with the data processing section, the Educational Data Center sponsors annual workshops to advise personnel from public junior and senior institutions of changes and additions to reports and data processing procedures.

To improve its collection of data, the Board in 1978 revised the format for reports submitted by medical, dental and health related units and by the independent junior and senior colleges. Staff members worked with the Research Division of the Independent Colleges and Universities of Texas in modifying the reporting forms for schools in the private sector. Workshops were conducted for institutional representatives to acquaint them with the new reporting procedures.

The Educational Data Center has been involved in numerous studies on transfer of credit, common course numbering, common calendar and formula funding, among others. It also has been active in the State Level Informa-

tion Base project being conducted by the National Center for Higher Education Management Systems at the Western Interstate Commission for Higher Education.

Data Processing

The Coordinating Board's on-line computer files increased by 24 percent in 1977-78. To manage this burgeoning file system, the data storage capacity and the internal memory of the Honeywell 6600 computer system were expanded.

An education system was purchased in 1978 to enhance the technical expertise of the computer services staff and to introduce those served by the computer to its capabilities.

Major developments this year are described below.

Hinson-Hazlewood College Student Loan System

Extensive modifications to the Hinson-Hazlewood Loan Program were completed, enabling multiple loan disbursements during one semester and other improvements in the processing of loans and adjustments.

Procedures also were developed to project the average number of years borrowers are in school, the average number of years borrowers are in repayment and the average default rate on loans. Additional programming was completed to project loan volume, income statement and reserve funds over a 15-year period. These reports were used by Touche Ross consultants in their feasibility study of a state-guaranteed loan agency.

TEG-SSIG, TPEG-SSIG Grant Systems

The Tuition Equalization Grant-State Student Incentive Grant System and the Texas Educational Grant-State Student Incentive Grant System both were redesigned in 1978. The TEG-SSIG system has been rewritten in a

data base format, and testing of the new program was underway as the fiscal year ended. Complete reprogramming of the TEG-SSIG system also is planned to incorporate a data base concept.

Management Information System

The Management Information System was expanded to store up to five years of information. Junior college data was added, with summaries in seven profile areas: enrollment; degrees, diplomas, or certificates awarded; declared majors; semester credit hours, contact hours; classes taught; and faculty headcount.

Reports on faculty costs per semester credit hour were generated from the data base for use in analyzing the funding formulas of the senior colleges and universities.

The off-campus course file was expanded to include approved lower-division course requests.

Texas Student Information Follow-up System (Tex-SIS)

In 1978 the Coordinating Board assumed responsibility for processing Tex-SIS follow-up questionnaires using programs developed by the Tarrant County Community College District. Information generated by the survey assists college officials in institutional planning.

Some 250 studies using data from 150,000 survey forms were processed by the Board's computer system in fiscal 1978. This figure represents an almost 100 percent increase over the previous year.

Higher Education Insurance Program

Development of a uniform higher education insurance program, as man-

dated by the 65th Legislature, began in fiscal year 1978. To carry out provisions of Senate Bill 95, a nine-member Administrative Council was created within the Coordinating Board and charged with developing standards to assure uniformity in insurance benefits for employees of Texas state colleges and universities. The program will establish statewide guidelines for basic insurance for both active and retired employees, maximum costs for administration of the plan by carriers and basic procedural and administrative practices. Retirement annuity insurance plans also are included under the program.

In its planning, the council received recommendations from a 117-member Advisory Committee which included elected representatives from all public institutional units, components and agencies of higher education, including each of those under a single governing board.

In December 1977 the Administrative Council charged the Advisory Committee with developing preliminary recommendations for establishing program guidelines, and a 12-member steering committee was appointed to organize and direct activities of the advisory panel. The Advisory Committee was divided into eight research groups on the basis of geographical location to examine specific types of insurance programs.

Their recommendations were forwarded to the Administrative Council and rules for basic insurance coverage and practices and procedures for operation of a uniform higher education insurance program were expected to be adopted early in fiscal year 1979.

OTHER ACTIVITIES OF THE COORDINATING BOARD

In response to growing demands for accountability from both lawmakers and consumers of postsecondary education, the Coordinating Board in 1977-78 undertook several projects to aid institutions in planning to meet future needs of the state. To wit: An expanded report on employment opportunities for the next five years in specific program areas was issued in the spring. An interagency contract gave the Board responsibility for administering a system to track community college students as a means of assisting institutional planners in designing curriculum and course offerings. And the Board began development of a state plan for establishing educational information centers to assure residents throughout the state of access to vocational, academic and career counseling at the postsecondary level.

In addition, research on issues affecting Texas higher education remained a vital aspect of Board activities throughout the year. Leaders in education and government receive copies of publications detailing Board research for use as tools in making decisions which concern the state's college and university system.

Educational Supply and Occupational Demand Report

Acting in its capacity as the State Comprehensive Postsecondary Educational Planning Commission (1202 Commission), the Coordinating Board in March published its second annual report on educational supply and occupational demand in Texas. The publication, which covers the years 1977-1983, contributed to a continuing effort within the state to provide students with information on the relation between the output of Texas postsecondary educa-

tional institutions and career opportunities in the job market. Data incorporated in the report were made available through the cooperation of postsecondary educational institutions, Texas Employment Commission, Texas Education Agency and other state agencies.

The report provides a listing of related occupations and expected employment opportunities for 83 degree programs at the baccalaureate, graduate and professional levels and 114 vocational programs. Short-term (one-to two-year) employment opportunities are described as excellent, very good, good, competitive or keenly competitive. In selected program areas, statistical projections of the supply were compared with the number of related job openings during the next five years. The information is valid until January 1980. Prior to that time, the 1202 Commission will issue a supplement to update the current report.

Copies of the study, along with a summary brochure, were distributed during the spring to libraries, educational institutions, organizations and the news media. In response to a questionnaire, approximately 300 high school and college counselors have indicated that the report is serving a useful purpose in providing career planning information to a large number of students.

Texas Student Information System

The Coordinating Board in October 1977 entered into a two-year contract with the Texas Education Agency to provide technical assistance and computer service to support the operations of the Texas Student Information System (Tex-SIS). A comprehensive, data-based student follow-up information system, Tex-SIS was designed as a planning tool for the community junior colleges

of Texas. Information was collected from students in both traditional academic areas and in occupational/technical programs. The tracking system also supplied data on students entering the job market to supplement information of the 1202 Commission on educational supply and occupational demand.

Some 14 sets of questionnaires have been developed to obtain information from students at various points in their educational and vocational careers. Although the program is voluntary, each of the 47 community college districts participated in the follow-up system to some degree during the 1977-78 academic year. A total of 246 follow-up studies was published and distributed to the institutions in that period.

Educational Information Centers

Gov. Dolph Briscoe in February appointed the Coordinating Board as the agency responsible for preparing the State Plan for administering the Educational Information Centers Program. Authorized by the federal Education Amendments of 1976, the program is intended to provide educational information, guidance and counseling and referral services within reasonable access of a state's residents. Congress in 1978 appropriated $2 million for matching EIC grants to the states. The federal government was to provide two-thirds of the funding, with the states supplying the remainder.

Texas was awarded $45,454 to develop its State Plan. During the coming year, the Coordinating Board will study possible alternatives to determine if Texas should participate in the EIC program and what the most effective procedures for establishing the centers would be should participation be warranted.

Research and Publications

Information about Coordinating Board actions and other news affecting higher education is published monthly in the CB Report. The newsletter is circulated among members of the state's academic community, officials in the executive and legislative branches of Texas government, and higher education officials in other states.

In addition to routine publication of an Annual Report and Statistical Supplement, the Board in May issued Study Paper 27: Fall Headcount Enrollment Forecasts, Texas Postsecondary Educational Institutions, 1978-1987. The report provides a breakdown of enrollment projections for each of the public senior colleges and includes aggregate data on expected headcounts at public and independent junior colleges, independent senior colleges and the Texas State Technical Institute. Forecast methodology also is detailed. The continuing study paper series enables the Board to make available to educators, government officials and interested citizens the results of research projects as they are completed.

The Board in fiscal year 1978 also updated several publications to incorporate changes in federal and state law. Revision of those publications was discussed in chapters describing the activities of each division.

Participation in Southern Regional Education Compact

As in the past, the Board continued to act as a liaison for the State of Texas with the Southern Regional Education Compact. During the past fiscal year, it participated in SREB projects to improve mental health and education opportunities and upgrade the status of black colleges throughout the South.

Trusteed funds of $12,000 were administered by the Board to support SREB mental health programs. Designed to recruit additional qualified mental health workers for the South, the projects also encourage research activities and interchange of knowledge in the field.

Another $12,000 in trusteed funds was disbursed by the Board for the Institute for Higher Educational Opportunity in the South. Efforts of the institute focus on assisting predominantly black Southern colleges in defining special roles and fulfilling specific goals.